

How many hubs do we need?

Dedicated hubs to co-ordinate cover will increasingly be required in the MENA region as expansion of business continues

As economies develop, insurance penetration is generally expected to improve correspondingly, particularly for the non-life segment. This strong correlation suggests that as GDP per capita rises, more of this income will be channelled to securing insurance coverage for expanding wealth and infrastructure.

Apart from seeing more players entering this space to provide additional capacity, over time, as markets continue to grow and develop, the need for dedicated hubs to serve this growth cannot be understated. There would in fact need to be at least one hub each to efficiently support the needs of the rapidly growing emerging markets of Latin America, Sub-Saharan Africa, the Middle East and Asia.



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Three countries aiming for the top spot

Within Asia alone, there are three countries vying to be the region's leading (re)insurance hub – Singapore, Hong Kong and Malaysia. Singapore is currently quite clearly taking the lead position in this aspect.

The Singapore story is a model example of thorough planning and successful execution of a (re)insurance hub. As a key insurance centre in Asia, Singapore plays a strategic role in facilitating international (re)insurance activities in the region. However, as Asia grows, Singapore will need to continuously evolve with the region to manage the (re)insurance needs of Asia. An option for Singapore may even be to partner neighbouring hubs as the republic alone may not be able to fully meet the needs of the Asian (re)insurance industry.

Meeting customer needs

In the same vein, the Dubai International Financial Centre has done well in building the necessary infrastructure and in attracting the players and talent to support growth in the Middle East. While Singapore provides a strong example, Dubai and other aspiring hubs will have to work out their own approaches that meet their unique customer needs and respective market dynamics. ■